

On Pay for Performance, Rank-and-File Workers Speak Out Anonymously

By Stephen Barr
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The Diary's mailbag is stuffed -- with pay issues at the top of the heap.

Columns in late July explored some of the questions being asked by federal employees about pay-for-performance systems underway in the Bush administration. Today's column shares some additional comments from readers interested in how the government compensates and motivates its workforce.

From a federal lawyer who is returning to the private sector:

"I find the current system inflexible and unfair. . . . While my supervisors tout the fact that I have all this experience in senior level management, they don't acknowledge that where it counts -- in my wallet every two weeks.

"I find it unmotivating to get paid a set amount regardless of the quality of my work. . . .

"I've seen some behavior in my short time in the government that probably would have led to firing in the private sector. I leave my government job with greater respect for the work that people do for all of us for nominal pay. At the same time, I am quite disgusted with the waste of money by people who should have been fired long ago."

From a federal scientist:

"Right now, civil service employees are somewhat 'buffered' from politically motivated actions of top management. Employees can openly debate, disagree with the policies and proposed actions of their agencies (within limits, of course) without fear of losing salary (however, there are other ways that management gets even!).

". . . With 'pay for performance' I wonder if I should just please my boss rather than fight for what I believe is right. As a staff scientist, we get into debates all the time. Right now, I feel somewhat protected in these debates. . . . With pay for performance, I will need to balance feeding my family against fighting for the public interest.

"We'll see how I do. . . . I am not optimistic."

From a federal retiree:

"In my immediate organization we had two long-term employees that should have been fired because they did next to no work, leaving their assignments to be shifted to others. I clearly sensed the supervisor did not have the time available to sacrifice mission work in order to increase the priority on needed discipline.

"In a parallel organization I observed a supervisor apply hundreds of man hours needed to pass through all the wickets to terminate an employee -- time that could not be taken and which compromised the mission.

"I was not in a supervisory position but witnessed the bind leaders were being placed in when faced with the dilemma of increased administrative time encroaching into their primary duties of leading an organization and getting a job done. I am therefore puzzled as to how newly proposed performance pay systems that will require substantially more time to administer to employees can be in the best interests of the government? I am also puzzled as to why this is not more of an issue?"

From a new federal supervisor:

"A merit-based system may not be the magic cure to the problems that plague the government workforce, but at least it is something new. And it's not a far-fetched idea, but rather it is something that has been the norm in the private sector for a long time. Of course this makes people, including myself, nervous. Who are we kidding, job security is a hallmark of the government; but as long as job security isn't threatened for those doing their job, a correctly implemented merit-based system could be a very good thing."

A Note to Readers

As you may have noticed, none of the readers quoted above is identified. They gave permission for me to excerpt from their e-mails but not to identify them by name or by agency.

I verified that they are, indeed, government employees or a relatively recent retiree, using telephone numbers they gave me. They wanted to make their points but avoid rocking the boat, risking retribution or embarrassing their agencies.

That's understandable -- and unfortunate. The pay-for-performance debate is dominated by Bush administration officials and union leaders. What's missing is the voice of front-line employees -- the point of this column.

I'd like to get a conversation going on pay-for-performance and federal compensation, but if you've got something to say, you need from now on to identify yourself and permit at least your name to be published. It's the only way to get political appointees and labor leaders to take your views seriously.

Thank you.

Lawmakers Push for Solution to Delays in Full Pension Payments

By Stephen Barr
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Key House members have served notice at the Office of Personnel Management that they are concerned about delays in processing and approving full pension payments to federal employees who have filed their retirement papers.

Some retirees have reported waiting several months for OPM to tally up the correct amount for their monthly checks and have questioned why.

When an employee retires, OPM provides an interim payment designed to avoid overpaying a retiree until the final pension calculation. Most employees get an accurate pension payment within 75 to 90 days, but some wait for months if they have complicated work histories or worked at several agencies.

Once OPM calculates the correct annuity, it sends a lump-sum payment to cover the months when the retiree got a "haircut," as the new OPM director, *Linda M. Springer*, put it at a July management conference in Washington.

Springer said she was aware of problems in processing retirement payments. "That is not something to be proud of, and it's a system that needs to be fixed," she said at the conference.

In a letter to Springer last week, the House members promised to work with OPM to correct problems that have caused retirees to wait for a complete pension payment.

"The discrepancy in their annuity can harmfully affect retirees' financial management plans and impair their ability to earn interest on accounts or investments, or in some cases to even affect their ability to pay current living expenses," the House members wrote.

The letter was signed by Reps. *James P. Moran Jr.* (D-Va.), *Thomas M. Davis III* (R-Va.), *Steny H. Hoyer* (D-Md.), *Frank R. Wolf* (R-Va.), *Albert R. Wynn* (D-Md.), *Chris Van Hollen* (D-Md.), *Benjamin L. Cardin* (D-Md.) and *Jon Porter* (R-Nev.) and Del. *Eleanor Holmes Norton* (D-D.C.).

Davis is chairman of the House Government Reform Committee, which oversees OPM, and Porter serves as chairman of the House federal workforce subcommittee.

The House members asked Springer to provide details on how OPM plans to correct annuity underpayments, how many retirees have received underpayments and what OPM is doing to speed retirement claims.

In June, OPM officials said retirement claims have been increasing by about 10 percent annually and appear on track to go up by that much again this year. To cope with the rising workload,

OPM has renewed plans to buy technology that will automate some services and shift from paper personnel files to digital records.

The project, known as retirement systems modernization, should help speed payments of full pensions. At the July conference, Springer said the project was one of her top priorities.

OPM pays more than \$52 billion per year in retirement benefits to about 2.4 million retirees and their survivors.

New Chief for Employee Benefits

Robert F. Danbeck will become OPM's associate director in charge of federal employee insurance programs and federal retirement services on Sept. 6, the agency announced.

He will replace *Stephen C. Benowitz*, who will retire this month after 31 years of federal service. Benowitz joined OPM in 2002 after serving as director of strategic management planning at the National Institutes of Health. He had also served as NIH's director of human resources.

Danbeck came to OPM in 2003 as a deputy associate director responsible for management training programs and the presidential management fellows program. In March, he became an associate director for administration. Before joining OPM, Danbeck was vice president for human resources at IBM India Ltd.

Targeting Cost-of-Living Allowances

Federal and postal employees in Puerto Rico and in Anchorage, Fairbanks and Juneau, Alaska, may face a 1 percentage point cut in their cost-of-living allowance, according to survey findings published by OPM in the Federal Register last week.

The survey data also indicate a COLA increase should be provided to three Hawaii counties and the U.S. Virgin Islands. The allowance would rise to 23 percent in the Virgin Islands, to 25 percent in Kauai and Maui counties and to 19 percent in Hawaii County, OPM said.

Under law, OPM must conduct living-cost surveys for "nonforeign areas" and make adjustments. OPM will accept comments on the proposed COLA changes through Oct. 3.